

Message Text

SECRET

PAGE 01 BRASIL 01718 01 OF 03 252254Z

21

ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 CIAE-00 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 NSCE-00 SSO-00

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 4190

INFO USDEL JBUSMC RIO DE JANEIRO

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OSD (IA/DSAA)

USSOUTHCOM QUARRY HTS CZ

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

S E C R E T SECTION 1 OF 3 BRASILIA 1718

PASS AID

E.O.11652: GDS

TAGS: MASS, BR

SUBJECT: AMBASSADOR'S ASSESSMENT OF U.S. SECURITY ASSISTANCE FOR
FY 1977

REF: (A) STATE 036160, (B) 75 BRASILIA 10957

SUMMARY: SINCE THE BRAZILIAN ARMED FORCES ARE LIKELY TO CONTINUE
TO BE THE PREDOMINANT POWER BASE FOR BRAZIL'S GOVERNMENT FOR THE
FORESEEABLE FUTURE, A PRIMARY GOAL OF U.S. POLICY TOWARD BRAZIL
SHOULD BE THE MAINTENANCE OF THE U.S. ORIENTATION OF THE ARMED
FORCES, WHO, TO A LARGE DEGREE, VIEW BRAZIL'S SECURITY AND
FOREIGN POLICY INTERESTS AS BEING COMPATIBLE WITH THOSE OF THE
U.S. THIS TARGET GROUP WILL CONTINUE TO BE IMPORTANT OVER THE
NEXT SEVERAL YEARS AS BRAZIL ASSUMES A LARGER ROLE IN THE WORLD
AND THE OPPORTUNITIES FOR DIVERGENCE FROM THE U.S. INCREASE.

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PAGE 02 BRASIL 01718 01 OF 03 252254Z

THE SECURITY ASSISTANCE PROGRAM IS A MAJOR TOOL FOR PRESERVING

OUR ACCESS TO THE MILITARY SECTOR, SECURING COMMERCIAL BENEFITS,
AND PROMOTING THE MODERNIZATION OF THE BRAZILIAN ARMED FORCES
FOR A POSSIBLE CONTRIBUTION TO THE "TOTAL FORCE CONCEPT".
(THE NATURE OF THAT CONTRIBUTION BEING AS YET UNDEFINED.)
WHILE BRAZIL'S ABILITY TO USE FMS CREDIT HAS DIMINISHED
BECAUSE OF GROWING BALANCE OF PAYMENTS PROBLEMS, TO FURTHER
THE FOREGOING INTERESTS AND PRESERVE ITS ADVANTAGEOUS POSITION
FOR FUTURE AS RELIABLE MILITARY PARTNER AND SUPPLIER, U.S.
SHOULD PROVIDE LEVEL OF CREDIT ADEQUATE TO MEET BASIC
UNDEFERRABLE NEEDS OF BRAZILIAN FORCES ON APPEALING TERMS.
END SUMMARY.

1. BRAZIL OCCUPIES HALF THE LAND AREA OF SOUTH AMERICA, HAS
A POPULATION OF 110 MILLION, AND EXPERIENCED A PERIOD OF VERY
RAPID AND WELL MANAGED ECONOMIC GROWTH BETWEEN 1968 AND 1974.
THOUGH NOW CONSIDERABLY BELOW THE 9-10 PERCENT GROWTH RATE
OF THAT PERIOD, THE PRESENT RATE OF 4-5 PERCENT STILL COMPARES
FAVORABLY WITH THAT OF OTHER LDC'S IN CURRENT WORLD-WIDE
ECONOMIC SLUMP. IT HAS MAJOR QUANTITIES OF NATURAL RESOURCES,
SOME OF THEM OF IMPORTANCE TO THE U.S. AND A LARGE AND
EXPANDING INDUSTRIAL BASE. AS A RESULT, BRAZIL EXERCISE
CONSIDERABLE INFLUENCE ON ITS NEIGHBORS, AND HAS DEMONSTRATED
ITS POTENTIAL FOR EVENTUAL WORLD POWER STATUS AND ITS DETERMINATION
TO ATTAIN IT. ITS LONG COASTLINE ABUTS ON IMPORTANT SEA
LINES OF COMMUNICATION, AND, AT ITS EASTERN EXTENSION, IS ONLY
1700 MILES FROM THE AFRICAN CONTINENT. BRAZIL IS A MAJOR MARKET
FOR U.S. GOODS AND SERVICES, AND ATTRACTS A HIGH LEVEL OF U.S.
INVESTMENT. DURING 1975, BRAZILIAN IMPORTS FROM THE U.S.
REACHED \$3 BILLION, MAKING IT OUR SEVENTH LARGEST MARKET--
SECOND ONLY TO MEXICO, IN LATIN AMERICA, AND LARGER THAN FRANCE
OR ITALY. U.S. DIRECT INVESTMENT IN BRAZIL THROUGH 1975 WAS
\$3.2 BILLION, THE LARGEST IN ANY LATIN AMERICAN COUNTRY.
IN TERMS OF GLOBAL US INTERESTS, BRAZIL, AS IT STRIVES TO
REALIZE ITS IMPRESSIVE POTENTIAL, WILL TAKE ON INCREASING WEIGHT
IN THE COLLECTIVE RESOLUTION OF THE CRITICAL ISSUES OF WORLD
INTERDEPENDENCE. GIVEN ITS INTENTION TO SEEK A BETTER DISTRIBUTION
OF WORLD WEALTH AND ECONOMIC POWER AND ITS IMPORTANT
ROLE IN THE COLLECTIVE LDC EFFORT TO THIS END, BRAZIL WILL
PROBABLY FIND ITSELF FREQUENTLY DIFFERING WITH THE US IN INTERNATIONAL
AND HEMISPHERIC FORUMS AND RESISTING US ACTION

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PAGE 03 BRASIL 01718 01 OF 03 252254Z

IT REGARDS AS RESTRICTIONS ON ITS FREEDOM OF ACTION.

2. SINCE 1964, THE BRAZILIAN ARMED FORCES HAVE PROVIDED THE
POWER BASE FOR THE GOVERNMENT. THEY ARE LIKELY TO CONTINUE
THEIR PIVOTAL POLITICAL ROLE FOR THE IMMEDIATELY FORESEEABLE
FUTURE. THE ARMED FORCES THEREFORE ARE A PRIMARY TARGET GROUP
IN PURSUIT OF BROAD US OBJECTIVES. OUR MILITARY RELATIONSHIP WITH
BRAZIL

HAS CONTINUED SINCE OUR WORLD WAR II ALLIANCE WHEN BRAZILIAN AND US TROOPS FOUGHT SIDE BY SIDE IN ITALY. SUBSEQUENTLY, THIS RELATIONSHIP WAS DEVELOPED INTO WHAT THE MAJORITY OF BRAZILIAN MILITARY CONSIDER TO BE A "SPECIAL TIE" WITH THE US, THROUGH CONTINUED LINKAGE THROUGH THE JOINT BRAZIL-US MILITARY AND DEFENSE COMMISSIONS (JBUSMC AND JBUSDC) AND THROUGH USE OF US MILITARY EQUIPMENT, DOCTRINE, AND MANAGEMENT AND ORGANIZATION TECHNIQUES. AFTER THE 1964 REVOLUTION, THIS RELATIONSHIP CONTINUED, BUT WAS RESTRICTED BY SUCH FACTORS AS THE LIMITATIONS ON US MILITARY SALES TO LATIN AMERICA; THE STEADY REDUCTION IN RECENT YEARS OF MOST FORMS OF US MILITARY ASSISTANCE; AND THE EVOLUTION OF THE BRAZILIAN ARMED FORCES INTO A MORE SELF-RELIANT, AUTONOMOUS INSTITUTION CAPABLE OF DEVELOPING ITS OWN DOCTRINE, MANAGEMENT, AND TRAINING, AND SUPPLYING A GOOD DEAL OF ITS OWN MATERIAL REQUIREMENTS. IN PART BECAUSE OF US SALES LIMITATIONS, SOME 90 PERCENT OF BRAZIL'S FOREIGN MILITARY PURCHASES IN THE PERIOD 1966 TO 1970 CAME FROM THIRD-COUNTRY SOURCES. ALTHOUGH THE PAST FOUR YEARS HAVE SEEN AN INCREASED SHARE OF US SUPPLY OF BRAZIL'S EQUIPMENT NEEDS, THIRD-COUNTRY SUPPLIERS RETAIN A SIGNIFICANT POSITION. WE RECOGNIZE THAT WE CANNOT BASE OUR MILITARY RELATIONSHIP ON EQUIPMENT SUPPLY AND ASSOCIATED LOGISTICS SUPPORT SO FIRMLY AS WE HAVE IN THE PAST. AS INDICATED ABOVE, BRAZIL WILL TEND TO REJECT ANY FORM OF RELATIONSHIP THAT INDICATES A CLIENT STATUS AS IT MOVES TOWARD WORLD STATUS. OUR OBJECTIVES SHOULD BE, RATHER, IN THE LONGER TERM, TO FOSTER A MATURE, NON-PATERNALISTIC PARTNERSHIP THAT DEPENDS NOT SO MUCH ON ASSISTANCE IN THE DEVELOPMENT OF THE BRAZILIAN ARMED FORCES AS ON THE ACCEPTANCE OF MUTUALLY PERCEIVED PARALLEL STRATEGIC GOALS AND AN UNDERLYING CONVERGENCE OF NATIONAL INTERESTS. GIVEN THE POSSIBILITIES FOR DIVERGENCES NOTED IN PARAGRAPH 1, THIS WILL BE NO EASY TASK, AND THROUGHOUT

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PAGE 04 BRASIL 01718 01 OF 03 252254Z

THE REST OF THE 1970'S AND, PERHAPS, BEYOND, THE READINESS OF THE US TO MEET REASONABLE BRAZILIAN EQUIPMENT NEEDS ON FAVORABLE TERMS WILL CONTINUE TO BE A MAJOR BUILDING BLOCK FOR A MATURE RELATIONSHIP WITH THE BRAZILIAN MILITARY. IN BROADER SENSE, OUR MILITARY RELATIONSHIP WITH BRAZIL GIVES US AN EXCELLENT OPPORTUNITY TO DEMONSTRATE BY OUR ACTIONS IN AN IMPORTANT SECTOR A FUNDAMENTAL PRECEPT IN OUR LARGER POLICY TOWARD BRAZIL, THAT IS, THAT THE US ACCEPTS AND WELCOMES BRAZIL'S EMERGENCE AS A MAJOR POWER AND THAT IT IS PREPARED TO CONTRIBUTE TO THE ATTENDANT MODERNIZATION PROCESS IN BRAZIL.

3. THE GOALS OF THE SECURITY ASSISTANCE PROGRAM SHOULD, THEREFORE, BE (A) THE MAINTENANCE AND ENHANCEMENT OF THE US-ORIENTATION OF THE BRAZILIAN ARMED FORCES, (B) PRESERVATION OF BRAZILIAN

PREFERENCE FOR US TECHNOLOGY AND ORGANIZATION, WITH ATTENDANT COMMERCIAL BENEFITS TO THE US WHERE APPROPRIATE, AND (C) IMPROVEMENT OF BRAZILIAN CAPABILITIES TO TAKE PART IN A "TOTAL FORCE" STRUCTURE, SHOULD THAT PARTICIPATION, AS YET UNDEFINED, TURN OUT TO BE IMPORTANT. SUCCESS IN MOVING TOWARD THESE GOALS SHOULD ASSIST US IN DERIVING MILITARY, AND BY EXTENSION POLITICAL, BENEFITS FROM OUR RELATIONSHIP WITH BRAZIL, SUCH AS (A) PRESERVATION OF MILITARY AS A PRO-US POWER GROUP WELL PLACED TO INFLUENCE THE INTERNAL DECISION-MAKING PROCESS AND THE COUNTRY'S OVERALL POLITICAL EVOLUTION; (B) BRAZILIAN COOPERATION IN THE SOLUTION OF INTERNATIONAL PROBLEMS (A PRIMARY US INTEREST IN THE EMBASSY'S CASP SUBMISSION); (C) THE POSSIBLE PROVISION OF BRAZILIAN BASES, FACILITIES AND TRANSIT RIGHTS IN A GENERAL EMERGENCY INVOLVING THE US AND THE USSR IN PROTRACTED CONVENTIONAL OPERATIONS; AND (D) UNDER THE SAME CIRCUMSTANCES, BRAZILIAN ASSISTANCE IN PROTECTING SEA LINES OF COMMUNICATIONS; AND (E) COOPERATIVE ATTITUDE OF BRAZILIAN MILITARY IN SPECIALIZED, QUASI-MILITARY US PROGRAMS, SUCH AS MAPPING, OR ON ISSUES SUCH AS LOW OF THE SEAS OR FISHING JURISDICTIONS WHERE CONCERN AND INVOLVEMENT OF MILITARY MAY BE SIGNIFICANT.

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PAGE 01 BRASIL 01718 02 OF 03 252320Z

21

ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 CIAE-00 H-02 INR-07 L-03 NSAE-00

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SECRET SECTION 2 OF 3 BRASILIA 1718

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4. THE SECURITY ASSISTANCE PROGRAM AND PLAN AS RECOMMENDED IS DESIGNED TO BE RESPONSIVE TO THE PRIMARY MODERNIZATION NEEDS OF THE BRAZILIAN ARMED FORCES AND IS BASED LARGELY ON COMMON EVALUATION CARRIED OUT WITHIN THE JOINT BRAZIL-US MILITARY COMMISSION. IN GENERAL, THE ARMY IS ORGANIZING INTO HIGHLY MOBILE BRIGADE ORGANIZATIONS AND ITS NEEDS ARE MODERN WEAPONS, COMMUNICATIONS AND TRANSPORTATION. EMPHASIS WILL BE ON ANTI-TANK MISSILE SYSTEM, AN AIR DEFENSE SYSTEM, NEW FAMILIES OF LIGHT AND SELF-PROPELLED ARTILLERY, TANKS AND ARMORED PERSONNEL CARRIERS, ENGINEER EQUIPMENT AND COMMUNICATIONS. ARMY PLANNING LOOKS TO THE ATTAINMENT OF IMPROVED CAPABILITIES IN BOTH INTERNAL AND REGIONAL STABILITY. TRAINING PROGRAMS WILL BE DESIGNED TO ACHIEVE AND SUSTAIN PROFICIENCY IN THE MAINTENANCE AND OPERATION OF THE MORE SOPHISTICATED EQUIPMENT. THE NAVY EFFORT IS DIRECTED

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PAGE 02 BRASIL 01718 02 OF 03 252320Z

PRINCIPALLY AT STRENGTHENING THE ANTI-SUBMARINE WARFARE (ASW) CAPABILITY. DESTROYERS AND HELICOPTERS WILL INCREASE BRAZILIAN CAPABILITIES FOR ASW SCREENING AND CONVOY AND SEARCH AND DETECTION CAPABILITIES. STANDARD MISSILES AND MODERN TORPEDOES WILL CORRECT SERIOUS DEFICIENCIES IN THE AAW AND ASW CAPABILITIES OF THE NAVY. STRENGTHENING THE BRAZILIAN MARINE CORPS IS ALSO A NAVY GOAL AND AMPHIBIOUS VEHICLES, ARMAMENT AND ENGINEERING EQUIPMENT WILL, ALONG WITH CONTINUED TRAINING AND EXERCISES, INCREASE THE CORPS' EFFECTIVENESS. THE BRAZILIAN AIR FORCE MODERNIZATION IS PLANNED TO PERMIT IT TO CARRY OUT ITS AIR DEFENSE AND SUPPORT ROLES. F-5 AIRCRAFT, AS ACQUIRED WITHIN THE TIME FRAME OF THE PLAN, HAVE SATISFIED THE BAF REQUIREMENT FOR A GROUND SUPPORT AIRCRAFT AS WELL AS THE DEFENSE OF BAYS AND AREAS. ACQUISITION OF HEAVY TRANSPORT AND ASW AIRCRAFT AND HELICOPTERS WILL AUGMENT THE BAF CAPABILITY TO SUPPORT THE ARMY AND THE NAVY IN THEIR PRINCIPAL ROLES AS WELL AS TO INCREASE ITS ABILITY TO SUPPORT GOB "CIVIC-ACTION" IN DEVELOPING OR REMOTE AREAS OF BRAZIL. THE BRAZILIAN ARMED FORCES ARE FULLY CAPABLE OF UTILIZING AND MAINTAINING THE PROPOSED LEVELS AND TYPES OF EQUIPMENT AND THE RECOMMENDED TRAINING LEVELS WILL ENHANCE THE CAPABILITIES OF THE BRAZILIAN ARMED FORCES TO OPERATE AND MANAGE THEIR FORCES.

5. ECONOMIC ASSISTANCE GRANTED TO BRAZIL BY THIRD COUNTRIES HAS NOT BEEN OF MAJOR PROPORTIONS, WITH MAJOR WESTERN EUROPEAN COUNTRIES AND CANADA PROVIDING A TOTAL OF \$5 MILLION TO \$6

MILLION YEARLY, MOSTLY IN FORM OF TECHNICAL ASSISTANCE. SUBSTANTIAL INFLOWS FROM THIRD COUNTRIES ARE MORE LIKELY TO COME IN TERMS OF DIRECT INVESTMENT AND FINANCIAL LOANS RATHER THAN CONCESSIONAL ASSISTANCE. BRAZIL RECEIVED \$5.8 BILLION IN CAPITAL (NET) OF THIS TYPE FROM ALL SOURCES DURING CY 1974 AND ALMOST 5.4 BILLION (ESTIMATED) IN CY 1975. PROSPECTS FOR CY 1976 ARE FOR CONTINUED INFLOWS OF THIS KIND. THIRD-COUNTRY CONCESSIONAL MILITARY ASSISTANCE (ALMOST EXCLUSIVELY TRAINING AND VISITS) HAS HAD AN INSIGNIFICANT IMPACT ON BRAZIL'S BALANCE OF PAYMENTS. BRAZIL RECEIVES SUBSTANTIAL AID FROM MULTILATERAL DONORS SUCH AS THE WORLD BANK AND THE IDB. THE IDB'S 1975-77 LOAN PROGRAM FOR BRAZIL FORESEES TOTAL POSSIBLE LOANS OF \$380 MILLION FOR 1975, AND \$595 MILLION FOR 1976-77, MAINLY IN THE FIELD OF
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PAGE 03 BRASIL 01718 02 OF 03 252320Z

AGRICULTURE, ENERGY PRODUCTION, EDUCATION, PUBLIC HEALTH AND INDUSTRY. THE IBRD'S PROPOSED PROJECTS FOR THE NEXT FEW YEARS IN BRAZIL FORESEE AN ANNUAL AVERAGE OF LOANS OF APPROXIMATELY \$500 MILLION PER YEAR, MAINLY IN THE FIELDS OF TRANSPORTATION, INDUSTRY, ENERGY PRODUCTION, AND AGRICULTURE. ALTHOUGH THESE FIGURES ARE PROBABLY LARGER THAN THE ACTUAL DISBURSEMENT THEY ARE INDICATIVE OF BRAZIL'S CAPABILITY TO ABSORB MAJOR PROJECTS. THEY ALSO PUT INTO PERSPECTIVE THE GOVERNMENT'S RELATIVELY MINOR COMMITMENT OF RESOURCES TO MILITARY PROCUREMENT.

6. WE HAVE NO ESTIMATE FOR THE SCALE OF THIRD-COUNTRY MILITARY ASSISTANCE LIKELY TO BE OFFERED TO BRAZIL IN FY 77. SHOULD, HOWEVER, THE RECORD OF THE RECENT PAST--WHICH SAW, FOR EXAMPLE, MAJOR PURCHASES BY BRAZIL OF MILITARY AIRCRAFT FROM FRANCE AND SHIPS FROM BRITAIN AND GERMANY--BE INDICATIVE OF THE FUTURE, THIRD-COUNTRY MILITARY SUPPLIERS WILL CONTINUE AGGRESSIVELY TO PURSUE MAJOR EQUIPMENT SALES TO BRAZIL WITH THE ADVANTAGE OF ATTRACTIVE GOVERNMENT-SPONSORED CREDIT.

7. AS SET OUT IN POM SUBMISSIONS OF THE RECENT PAST, THE SECURITY ASSISTANCE PROGRAM REPRESENTED A CAREFULLY TAILORED PACKAGE FOR MEETING THE PRIORITY NEEDS OF THE BRAZILIAN ARMED FORCES AND MAINTAINING US INFLUENCE AS A SUPPLIER. THE APPROVED PROGRAMS PROVIDED SUFFICIENT ATTENTION TO NAVY AND AIR FORCE NEEDS TO KEEP THE US IN CONTACT WITH THE PROCUREMENT PLANS FOR THESE SERVICES. (THE BRAZILIAN ARMY HAS NO CURRENT PLANS TO USE FMS CREDIT.) AS POINTED OUT IN RECENT MESSAGES (BRASILIA 10957), THE BRAZILIAN GOVERNMENT'S RESPONSES DURING 1975 TO A SERIOUS BALANCE OF PAYMENTS PROBLEM, INVOLVING ADDITIONAL IMPORT RESTRICTIONS AND TIGHTENED CONTROLS ON THE USE OF FOREIGN EXCHANGE, HAVE CAUSED THE BRAZILIAN MILITARY TO REDUCE SHARPLY ITS INTENDED PROCUREMENT

OF MILITARY EQUIPMENT FROM FOREIGN SOURCES. RESTRAINTS ON
FOREIGN PURCHASES ARE EXPECTED TO BE TIGHTEST DURING FY 1977,
WITH BRAZILIAN MILITARY ABLE TO USE NOT MORE THAN
\$50 MILLION OF FMS CREDIT--\$40 MILLION LESS THAN THE PREVIOUSLY
APPROVED CEILING. WE EXPECT THE NEED FOR FMS CREDIT TO BEGIN
RISING AGAIN SLOWLY AFTER FY 1977 AS ECONOMIC CONDITIONS IMPROVE
THOUGH A TENDENCY ON THE PART OF THE BRAZILIAN MILITARY TO
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PAGE 04 BRASIL 01718 02 OF 03 252320Z

PROCURE MORE ITEMS DOMESTICALLY OR FROM THIRD-COUNTRY SOURCES
MAY KEEP FMS CREDIT REQUIREMENTS DURING NEXT FIVE YEARS WELL
BELOW EARLIER ESTIMATES. IN VIEW OF THIS EXPECTED INCREASE IN
COMPETITION FROM DOMESTIC AND THIRD-COUNTRY SUPPLIERS AND MORE
SELECTIVE USE BY BRAZIL OF ITS FOREIGN MILITARY PROCUREMENT
DOLLARS, THE US WILLINGNESS TO CONTINUE MEETING AT LEAST
BASIC BRAZILIAN CREDIT NEEDS WILL BE IMPORTANT FACTOR IN
PRESERVING POSITION OF US SUPPLIERS IN AN AT LEAST
TEMPORARILY SHRINKING MARKET AND IN MAINTAINING IMAGE OF US
AS A CREDIBLE AND COOPERATIVE DEFENSE PARTNER AND AS A
CONSISTENTLY RELIABLE SOURCE FOR BASIC
EQUIPMENT ON FAVORABLE TERMS. BY PROTECTING ITS POSITION
IN THIS SENSE AT TIME OF FINANCIAL STRINGENCY, US COULD REMAIN
IN STRONG COMPETITIVE POSITION FOR FUTURE WHEN BRAZILIAN
MILITARY MAY BE IN POSITION TO RESUME EVEN HIGHER LEVEL OF
FOREIGN PROCUREMENT. IN VIEW OF BRAZIL'S CURRENT UNFAVORABLE BALANCE
OF PAYMENTS SITUATION, I BELIEVE THAT, AS INDICATED IN THE
MISSION'S POM, FMS CREDIT LEVELS FOR BRAZIL ALONG THE FOLLOWING
LINES ARE REQUIRED TO MEET BASIC NEEDS AND PRESERVE THE US
POSITION:

FY 77	FY78	FY79	FY80	FY 81
\$50M	\$55M	\$60M	\$60M	\$60M

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PAGE 01 BRASIL 01718 03 OF 03 252303Z

21

ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 CIAE-00 H-02 INR-07 L-03 NSAE-00

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S E C R E T SECTION 3 OF 3 BRASILIA 1718

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WE ESTIMATE THAT BRAZIL'S OVERALL MILITARY MODERNIZATION REQUIREMENTS, AS RELATED TO THE JSOP OBJECTIVE FORCE, WILL INVOLVE THE EXPENDITURE BY BRAZIL OF ABOUT \$1.5 BILLION OVER THE NEXT DECADE. WE BELIEVE, FURTHER, THAT THE BRAZILIAN ARMED FORCES ARE FIRMLY COMMITTED TO CARRYING OUT THIS MODERNIZATION, AND THAT, EXCEPT IN CASE OF A PROLONGED AND DRASTIC SLOWDOWN IN THE NATIONAL ECONOMY, THEY WILL DO SO. ALLOCATION OF FMS CREDIT RESOURCES AT THE LEVEL RECOMMENDED ABOVE DURING THE PLANNING PERIOD WILL SERVE U.S. POLITICAL, COMMERCIAL AND SECURITY OBJECTIVES IN BRAZIL. FURTHERMORE, AS NOTED IN THE FY 76-77 CASP SUBMISSION, I AM CONCERNED THAT THE FMS CREDIT OFFERED TO BRAZIL BE AT A SUFFICIENTLY LOW CREDIT COST TO BE FULLY COMPETITIVE WITH THIRD-COUNTRY OFFERS.

8. ANOTHER IMPORTANT ELEMENT OF THE SECURITY ASSISTANCE PROGRAM, THOUGH MODEST IN COST, IS THE TRAINING PROGRAM. THE VALUE OF
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PAGE 02 BRASIL 01718 03 OF 03 252303Z

THE TRAINING PROGRAM TO THE BRAZILIAN ARMED FORCES, AND TO THE U.S. EFFORT TO MAINTAIN CHANNELS OF INFLUENCE TO THEM, EXCEEDS ITS NOMINAL COST IN GRANT FUNDS. THE CURRENT PLANNING LEVEL OF \$1.1 MILLION FOR THIS ACTIVITY IS NECESSARY TO PERMIT CONTINUED EFFORTS ON OUR PART TO MAINTAIN THE U.S. ORIENTATION OF THE YOUNGER OFFICERS OF THE BRAZILIAN ARMED FORCES. THE PROGRAM IS USED IN HIGH PRIORITY, HIGH IMPACT TECHNICAL AND PROFESSIONAL ASSISTANCE, AND DEMONSTRATES CONTINUING U.S. INTEREST IN, AND CONCERN FOR, THE DEVELOPMENT OF THE BRAZILIAN MILITARY FORCES. THE TRAINING COURSES ARE CLOSELY ALIGNED WITH BRAZILIAN PARTICIPATION IN THE FMS PROGRAM AND ARE AN EFFECTIVE INFLUENCE ON PLANNING FOR PURCHASE,

OPERATION AND MAINTENANCE OF MILITARY EQUIPMENT. ORIENTATION VISITS, WHICH BRING TO THE U.S. THE CREAM OF THE PROFESSIONAL MILITARY CLASS, HAVE SIGNIFICANT PROFESSIONAL IMPACT, AND MOREOVER, GIVE THE TRAINEE AN EXPOSURE TO U.S. GOVERNMENT, CULTURE AND POLITICAL SYSTEMS. THE INCREASED MAP-T LEVEL WILL, HOWEVER, DO NO MORE THAN COMPENSATE TO SOME EXTENT FOR REAL LOSSES SUFFERED THROUGH INFLATION. GIVEN BRAZIL'S GROWING INTEREST TO THE U.S. IN GLOBAL TERMS AND THE POSSIBILITIES FOR DIFFERENCES WITH THE U.S. DERIVING FROM BRAZIL'S PURSUIT OF A WORLD ROLE, I AM ESPECIALLY INTERESED THAT WE INCREASE OUR IMPACT ON THE YOUNGER, MIDDLE GRADE OFFICERS. WE SHOULD RECOGNIZE THAT THE HIGHLY INFLUENTIAL GROUP OF SENIOR MILITARY OFFICERS WHOSE BONDS WITH THEIR U.S. COUNTERPARTS WERE FORGED IN WORLD WAR II IS PASSING FROM THE SCENE. YOUNGER BRAZILIAN OFFICERS DO NOT SHARE THESE BONDS, AND, IN MANY CASES, HARBOR RESERVATIONS TOWARD THE U.S., STEMMING NOT ONLY FROM AN EMOTIONAL REACTION TO CRITICISM OF BRAZIL FROM U.S. SOURCES, BUT ALSO FROM IGNORANCE OR MISINTERPRETATION OF THE COMPLEX AND CHANGING SOCIAL AND POLITICAL FABRIC OF THE U.S. FUTHERMORE, EVEN THOUGH THE BRAZILIAN MILITARY ESTABLISHMENT IS ESSENTIALLY HIERARCHICAL, WHAT THEY MIGHT SEE AS UNFAVORABLE RESUTLTS OF THE POLITICAL LIBERALIZATION PROCESS OR SOME SEVERE ECONOMIC FAILURE COULD TEMPT THE YOUNGER OFFICERS TO SEEK A POLITICAL ROLE. SIMILARLY, THE YOUNGER OFFICERS MAY BE PARTICULARLY INCLINED TO SYMPATHIZE WITH OR EVEN ENCOURAGE INCREASING THIRD-WORLD TENDENCIES OF BRAZILIAN FOREIGN POLICY OR TO BE ATTRACTED TO VIEW NOW WIDELY HELD AMONG CIVILIAN FOREIGN POLICY SPECIALISTS THAT U.S.

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PAGE 03 BRASIL 01718 03 OF 03 252303Z

EFFORTS TO PRESERVE WORLD ORDER AND RESIST EXPANSIONISM IS LESS RELEVANT NOW TO BRAZIL'S BASIC INTERESTS.

9. I AM AWARE THAT MAP-T ACTIVITIES, WITHIN THEIR FUNCTIONAL GOAL OF CONTRIBUTING TO THE SECURITY ASSITANCE PROGRAM, CANNOT AND SHOULD NOT BE DIVERTED TO OTHER PURPOSES. I BELIEVE, HOWEVER, THAT WE CAN GO SOME WAY TOWARD ACCOMPLISHING OUR OBJECTIVE TO GET IN BETTER TOUCH WITH YOUNGER OFFICERS THROUGH INCREASED EXCHANGE ACTIVITIES. I RECOMMEND THAT CONSIDERATION BE GIVEN TO (A) INCREASING AND EXPANDING OUR PARTICIPATION WITH THE BRAZILIAN ARMED FORCES IN PERSONNEL AND INSTRUCTOR EXCHANGE PROGRAMS AND (B) THE EXPANSION OF THE ARMY FOREIGN AREA OFFICER PROGRAM FOR BRAZIL AND INSTITUTION OF SIMILAR PROGRAMS FOR THE NAVY AND AIR FORCE. I BELIEVE THERE ARE ALSO SUBSTANTIAL POSSIBILITIES FOR EXERTING U.S. INFLUENCE ON THE BRAZILIAN ARMED FORCES THROUGH THE EXCHANGE OF RESEARCH AND DEVELOPMENT AND TECHNICAL INFORMATION, AND I AGAIN URGE THAT THE DEPARTMENT GIVE EARLY AND FAVORABLE CONSIDERATION TO EXECUTION OF THE PENDING MASTER AGREEMENT ON THIS ACTIVITY WITH BRAZIL.

10. THE SECURITY ASSISTANCE PROGRAM IS, THEREFORE, A MAJOR PROGRAM IN OUR EFFORTS TO KEEP AND EXPAND CHANNELS OF INFLUENCE TO A VERY IMPORTANT BRAZILIAN LEADERSHIP GROUP. CRIMMINS

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